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SUBJECT: A/S GORDON'S MEETINGS WITH ITALIAN FM FRATTINI AND
SG MASSOLO

Classified By: DCM Elizabeth L. Dibble reasons 1.4 (B) and (D)

¶1. (C) Summary: Following the November 23rd G8 Political Directors' meeting, A/S Gordon met with FM Frattini and SG Massolo in back to back discussions, reviewing the new EU appointments, Iran sanctions, Afghanistan, Russia and the Balkans. Frattini expressed optimism that the new post-Lisbon team would prove effective, and said the GOI was ready to contribute on Afghanistan. Massolo stressed GOI readiness to be forthcoming with "sticks" on Iran sanctions, but reiterated the need for Italy to be involved in the decision-making process. On the Iran Sanctions Act, he said ENI CEO Scaroni was "ready to do whatever" to avoid trouble. End summary.

¶2. (C) The meeting with FM Frattini was attended by MFA SG Massolo, Chief of Staff Economides and Advisor Federiga Bindi, and by Amb. Thorne, DCM Dibble and Controloff Carol Volk. The meeting with Massolo was attended by Multilateral Affairs Deputy DG Formica and Policy Planning Unit Director Pasquale Ferrara and by the Americas desk Vincenzo Ercole; and by DCM Dibble, PolMC Leaf and Controloff Volk.

The European Union's New Appointments: Unclear Path Ahead

¶3. (C) Reviewing the appointments of Catherine Ashton and Herman Van Rompuy as High Representative and European Council President respectively, FM Frattini defended the choices, noting that Ashton is "a close friend," the most "pro-European" of the candidates and will exceed expectations. As for Van Rompuy, though he knows him less well, Frattini thought his skill at calming domestic tensions bodes well. A/S Gordon assured Frattini that the US, which has always said it supports a strong EU and needs "strong partners for global action," is ready to embrace the new institutions. Frattini discussed briefly the fact that former Italian PM and FM Massimo D'Alema, a front runner for the post of High Representative, was passed over for the job. "The Socialist party abandoned D'Alema in the middle," said Frattini, insisting nonetheless that the "the final decision is good." (Frattini's comment fits into the blame game that took place in the aftermath of the appointments, with the PES suggesting Berlusconi had not supported D'Alema effectively, and the GOI claiming the PES abandoned him.)

¶4. (C) Regarding EU political structures, Gordon noted many unanswered questions, such as who will represent the EU at summits, the G8, and who will be our main interlocutor. Frattini had no answers, but noted further lack of clarity regarding responsibility for the new diplomatic service. He termed the continued existence of the rotating presidency "a problem," and said he had advised Ashton to move quickly on creating the new diplomatic service in order to avoid giving the impression that "nothing has happened." Pointing out

that foreign policy will be governed by the same unanimity as before, rather than by qualified majority voting, he noted the risk that while seen as a Foreign Minister, Ashton will be subject to the veto of, say, a Malta, just as Solana was. Thus the situation will continue to depend on the "good will of governments" to move forward. Both agreed that the first six months will set enduring precedents. Concerning the Spanish Presidency, Frattini noted the Spanish are working hard on European issues such as migration and the Western Balkans, including a 2010 summit on European perspectives for the Western Balkans. Prospects for Croatia by the end of 2010 or beginning of 2011 will reassure other countries who feel excluded, he said. It was Frattini's sense regarding the US-EU Summit that Spain will want to "regain merit in the eyes of the US."

Afghanistan: "Europe Must Contribute"

15. (C) Frattini noted the upcoming visit of NATO SG Rasmussen. The GOI, he said, would be following closely President Karzai's inauguration commitment to improve institution building and fight corruption. The GOI was waiting for the US to announce its troop decisions. "European states must contribute as much as we can," he said, further stating that "failure is not an option," and that "our credibility is at stake." Gordon said it was good to hear this, noting that it was important to guard against the perception of an "Americanization" of the war.

16. (C) Regarding Italian public opinion, Frattini referred

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to the recent debate in the aftermath of six Italian deaths in Kabul, stating that "we need to explain better to our publics" our rationale for sending troops. If you ask the public, "do you know the troops are there for your security," they will be in favor of sending troops; but if you ask whether they want the troops home for Christmas, of course the answer will also be yes, but this is "misleading," he said. In his view, it is "no problem at all" ensuring public support, but a "comprehensive approach" is required.

Iran: You can count on us for sticks but need to move to a "like-minded" format

17. (C) In the subsequent meeting with Secretary General Massolo, the conversation turned to Iran. Gordon made the case for moving to the second track of the current two-track approach, noting that Iran had signed international agreements, and agreed to a deal but was reneging. The IAEA and EU council meetings next week will be important markers, he noted, citing President Obama's call for an agreement by the end of the year. Gordon further stressed the importance of the second track for the international communities' credibility on non-proliferation.

18. (C) Regarding the Russian position on sanctions, Gordon noted that it was hard to read. While Medvedev essentially said in Pittsburgh that sanctions don't work but we have no choice, the Russians were lining up on either side of that sentence.

19. (C) SG Massolo replied that "you can count on us for sticks," making the claim that the GOI had applied moral suasion to its companies and was having "a great deal of success," with firms like ENI, ENEL and Edison refraining from new deals and SACE having refrained from lending. "Hearing you confirms the shift toward a like-minded framework," he said. Massolo went on to argue that the P5 1 format was out of date, "hasn't work well and risks creating more problems than it solves." While Italy prefers sanctions

to move through the UNSC, he said, if that is not possible the format should shift to like-minded countries in which all are involved in the creation of the strategy. Massolo said the MFA was working hard to keep domestic constituencies in line, but we "need to be able to say you keep us involved." Gordon insisted that Washington had gotten the message.

¶10. (C) Finally, DCM Dibble raised the Iran Sanctions Act, noting that the Embassy would be delivering a message soon on this. Massolo said ENI CEO Scaroni was "ready to do whatever" not to be part of the formal inquiry, and that he "does not want problems."

Competition for US attention bodes ill for Lisbon; Italy will be "quick to respond" on Afghanistan

¶11. (C) Returning to the issue of the Lisbon treaty, SG Massolo was more pessimistic in his assessment of institutional development than Minister Frattini and considered that there would be a perpetuation of the role of states. The US is the only state that can take tough positions, he noted, and by "cultivating the ambitions" of London, Berlin and Paris, we remove their incentive to "develop a greater role for the EU." There was increasing competition among European nations to "be close to Washington," Massolo stressed, adding "don't blame us if we try to do the same." Massolo concluded that new High Representative Ashton will do what the institutional role will allow her to do, but "don't expect too much." Gordon replied that "we looked to the EU to find a way to represent itself better," and we "got the results we got." He said he understood Massolo's point, but noted that "when countries have something to bring to the table, we notice it." Seeing Italy in Afghanistan, he went on, "gets noticed." In this regard, Massolo said there would be a cabinet meeting before the Rasmussen visit, and that the GOI would "be quick" to respond.

Russia and Energy

¶12. (C) Massolo remarked that the GOI was pleased with Obama's line on Russia, and stressed the importance of involving Russia; given the strong relationship between Italy and Russia, he noted that the GOI was ready to be

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instrumental in assisting the US in any way. On energy, he noted that Italy depends strongly on imports, but was nonetheless working to diversify. It had restarted nuclear efforts, and was "looking for as many pipes as possible." The GOI was examining TGI, which Massolo said he knew was viewed with misgivings as a "wrench for Nabucco." The problem, he said, is that there are no gas production countries in Nabucco. Massolo said he was in "constant touch with Scaroni," who had offered to have ENI forge relations between Kazakhstan and Nabucco. A/S Gordon replied that it was "not for us to chose one pipeline," adding if we could find a way to harmonize TGI and Nabucco, it would be a "win-win."

Missile Defense a "Good Move"

¶13. (C) Massolo commended President Obama's shift on Missile Defense and noted that the US had managed to assuage the apprehension of the central and eastern European states, who were now on board and understood the plan. Gordon suggested that Georgia and Ukraine were in a decent place for now. Within NATO, we had consensus on MAP and had agreed that there were different paths to membership, MAP being one, Commissions another. The US would prefer to give MAP to

Montenegro, and establish Commissions with other countries. Regarding Bosnia, both agreed the situation needed to be worked out. Massolo noted the GOI decision not to alter its 300 troops in EUFOR Althea, while stressing the need to push for the Bosnians to accept new proposals. Gordon stressed US engagement, and said he was encouraged that the process was still alive, and in this regard, Gordon commended the decision to keep EUFOR present, which he said "sends right signal."

Turkey Exploring "Eastern Agenda"; GOI Supports Turkey's European Ambitions

¶14. (C) Finally, on Turkey, both sides agreed PM Erdogan's recent comments on Iran were not helpful. There was no question that Turkey was exploring an "eastern agenda," said Gordon. Erdogan will be in Washington on December 7, and the US was focused on the ratification of Turkish accords with Armenia, but Erdogan has made it clear he would not ratify the conventions without an agreement on Nagorno Karabakh. In the meantime, however, Congress might pass a genocide Resolution, which would have consequences for the relationship. Massolo noted Italy's support for bringing Turkey into Europe; Gordon said he hoped Italy would work to keep the door open for a few years, during which each side would continue to evolve.

¶15. (U) A/S Gordon has not approved this cable.

THORNE